

## Message Text

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ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 SP-03 AID-20 NSC-07 RSC-01

CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 AGR-20 PA-04 PRS-01 USIA-15 DRC-01 /171 W

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R 152158Z MAY 74

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 0099

UNCLAS LIMA 3824

E.O. 11652: N/A

TAGS: ETRD, PE

SUBJECT: GOP ISSUES NEW FOREIGN EXCHANGE REGULATIONS

GOVERNING IMPORTS INTO PERU

1. ON MAY 11 GOP ISSUED NEW FOREIGN EXCHANGE REGULATIONS SIGNIFICANTLY TIGHTENING IMPORT REQUIREMENTS. UNDER NEW REGULATIONS, ALL IMPORTS ARE NOW SUBJECT TO PRIOR ESTABLISHMENT OF LETTER OF CREDIT IN FOREIGN EXCHANGE. MERCHANDISE ON CONSIGNMENT MUST BE COVERED BY LETTER OF GUARANTEE IN FOREIGN EXCHANGE ISSUED BY A DOMESTIC BANK. ALSO, ALL IMPORTS NOT FALLING UNDER PREVIOUS REGULATIONS REQUIRING CREDIT FOR CAPITAL GOODS VALUED AT OVER \$10,000 MUST NOW BE FINANCED FROM ABORAD FOR AT LEAST 180 DAYS.

2. IN ADDITION, ALL IMPORTERS MUST FILL OUT NEW FORMS TO OBTAIN IMPORT BUDGET FOR 1974. PENDING THIS NEW AUTHORIZATION, EXISTING FIRMS MAY NOT REPEAT NOT IMPORT MORE THAN 60 PERCENT OF PREVIOUS AUTHORIZATIONS. SHIPMENTS UNDERWAY PRIOR TO MAY 15 ARE EXEMPT.

3. COMMENT: THESE NEW PROVISIONS ARE CLEARLY DESIGNED TO CONSERVE FOREIGN EXCHANGE. THEY HAVE BEEN TAKEN FOR BALANCE OF PAYMENTS REASONS AND ARE INDICATIVE OF CONCERN OF GOP FOR

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1974 POSITION. NEEDLESS TO SAY, NEW REGULATIONS HAVE CAUSED

GREAT CONFUSION AND MUCH CONCERN AMONG IMPORTERS. COST OF IMPORTS WILL INCREASE BECAUSE IMPORTER MUST NOW PAY FOR CREDIT AND FOR LETTERS OF CREDIT AND GUARANTEE NOW REQUIRED FOR ALL IMPORTS. GOP REPORTEDLY ALSO INTENDS REDUCE TOTAL IMPORTS BY REFUSING TO GRANT ANY SUPPLEMENTAL INCREASES OVER ORIGINAL IMPORT BUDGETS, A WIDESPREAD PRACTICE UP TO NOW. POSSIBILITY ALSO EXISTS THAT IMPORT AUTHORIZATIONS MIGHT BE REDUCED WHEN NEW IMPORT LEVELS ARE ESTABLISHED. DOMESTIC BANKS MAY ALSO HAVE PROBLEM IN ISSUING LETTERS OF CREDIT OR GUARANTEE FOR ALL IMPORTS DUE TO CAPITAL LIMITATIONS. CHAMBER OF COMMERCE AND ASSOCIATION OF MANUFACTURERS HAVE PRESENTED SUGGESTED CHANGES TO GOP TO ALLEVIATE CONFUSION AND LESSEN ECONOMIC HARDSHIP CAUSED BY NEW REGULATIONS.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** IMPORTS, FOREIGN EXCHANGE CONTROLS, ECONOMIC PROGRAMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 15 MAY 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
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**Reference:** n/a  
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**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 30 OCT 2002  
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**Status:** NATIVE  
**Subject:** GOP ISSUES NEW FOREIGN EXCHANGE REGULATIONS GOVERNING IMPORTS INTO PERU  
**TAGS:** ETRD, PE  
**To:** STATE  
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